

Message Text

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PAGE 01 CAIRO 20335 061542Z
ACTION NEA-10

INFO OCT-01 ISO-00 NEAE-00 SSO-00 EB-08 IGA-02 SS-15
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FM AMEMBASSY CAIRO

TO SECSTATE WASHDC IMMEDIATE 2475

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STADIS////////////////////////////////////

FOR NEA/EGY FROM AMBASSADOR

E.O. 11652:N/A

TAGS:EFIN, EAGR, US, EG

SUBJECT: CCC CREDIT TO FINANCE COTTON

REF: STATE 289425

1. I APPRECIATE THE EFFORTS YOU ARE PUTTING FORTH AS INDICATED IN REFTEL. HOWEVER, AS YOU MAY BE AWARE, PROBLEM HAS BECOME FURTHER COMPLICATED SINCE AN ADDITIONAL CCC PAYMENT HAS BECOME DUE AND EVEN WITH ALL PAYMENTS WHICH GOE HAS ALREADY MADE ON ARREARAGES, THIS NOW LEAVES ARREARAGE LEVEL ATABOUT DOLS 1,120,000. HAD USDA INFORMED US OF THIS BY NOVEMBER 30, AS WE REQUESTED, WE WOULD HAVE BEEN ABLE GIVE GOE TRUE PICTURE OF ITS ARREARAGES AS OF THAT DATE. I HAVE SENT ANOTHER LETTER TO MINISTER OF SUPPLY TEWFIK (COPY TO MINISTER OF ECONOMY EL SAYEH) TODAY INDICATING THIS NEW PROBLEM. HOWEVER, I AM FEARFUL THAT WITH THE BEST OF WILL THERE MAY BE FURTHER DELAYS IN GETTING CCC CREDIT ON THE LINE AND OPERATIVE.

2. IN THE MEANTIME, TEWFIK HAS CALLED USAID DIRECTOR AND REMINDED HIM OF URGENCY OF COTTON IMPORT NEEDS AND ASKED STRONGEST POSSIBLE EMBASSY/USAID EFFORTS TO GET PURCHASES UNDERWAY.

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3. UNDER THESE CIRCUMSTANCES, WHILE I STILL BELIEVE THAT EGYPT'S INTERESTS ARE BEST MET IF THE BULK OF COTTON TO BE PURCHASED TO BE HANDLED UNDER CCC SINCE THIS WOULD BE ADDITIONALITY, I DO FEEL THAT IT HAS NOW BECOME NECESSARY TO CONSIDER FINANCING THROUGH AID CIP PROGRAM AT LEAST A FIRST TRANCHE OF COTON IMPORTS. USAID DIRECTOR CONCURS.

4. I THEREFORE PROPOSE THAT AID AUTHORIZE INCLUSION OF COTTON UNDER CIP WITH UNDERSTANDING THAT WE WILL WORK OUTWITH GOEAN INITIAL PURCHASE UNDER CIP OF ONLY A PORTION OF TOTAL NEEDS. WE ESTIMATE THAT 25,000 BALES MAY BE ADEQUATE TO TIDE GOE OVER UNTIL TIME WHEN CCC CREDITS WOULD BE AVAILABLE, ALTHOUGH THIS MAY VARY SOMEWHAT WHEN WE ACTUALLY NEGOTIATE MATTER. USE OF CIP FOR THIS FIRST TRANCHE IS A USEFUL RESPONSE TO EGYPTIAN NEEDS, HOWEVER, ONLY IF IT CAN BE AUTHORIZED IN NEXT DAY OR TWO.

5. I ASSUME YOU CAN MOVE WITH AID ON THIS WITHOUT FURTHER COMMUNICATION. HOWEVER, IF AN AIDAC CABLE REITERATING THIS ARGUMENT IS NEEDED, ADVISE IMMEDIATELY.

6. DECONTROL FOLLOWING DECEMBER 31, 1977. EILTS

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CREDIT, FINANCE, COTTON
Control Number: n/a
Copy: SINGLE
Sent Date: 06-Dec-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CAIRO20335
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770452-0558
Format: TEL
From: CAIRO
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771290/aaaacxzj.tel
Line Count: 77
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 1ef1bb0b-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: STADIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: STADIS
Reference: 77 STATE 289425
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 13-Apr-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 351694
Secure: OPEN
Status: NATIVE
Subject: CCC CREDIT TO FINANCE COTTON
TAGS: EFIN, EAGR, US, EG, CCC
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/1ef1bb0b-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009